



# Department of Justice

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**PARK CORPORATION ABANDONS BID FOR JOHNSTOWN CORP. AFTER  
JUSTICE DEPARTMENT SAYS DEAL WOULD TRIGGER A COURT CHALLENGE**

WASHINGTON, D.C. -- In response to the prospect of an antitrust suit by the Department of Justice, Cleveland-based Park Corp.--the nation's largest producer of cast steel industrial equipment--abandoned its bid to buy Johnstown Corp. at a bankruptcy auction held today in Pittsburgh. The Department told Park that it had serious anticompetitive concerns about the proposed acquisition and would likely challenge the transaction on antitrust grounds if the deal went forward.

The Department said that if Park was allowed to acquire Johnstown Corp. it would control a monopoly share of the markets for both cast steel work rolls and large slag pots, which could result in increased prices for consumers.

The antitrust section of the Pennsylvania Attorney General's Office, which was jointly investigating the proposed acquisition with the Department, had expressed similar competitive concerns about the proposed purchase by Park and strongly recommended that the Attorney General of Pennsylvania join in any Division suit.

Park and Johnstown are the nation's two largest producers of cast steel work rolls and sleeves--heavy industrial equipment used by steel mills to make "shaped" steel products such as structural beams, wide diameter seamless pipe, and rails. These

products have a wide variety of uses in the commercial construction, oil and gas, and rail transportation industries.

Anne K. Bingaman, Assistant Attorney General in charge of the Department's Antitrust Division, said, "Cast steel work rolls and sleeves are used to make products that are mainstays of the nation's steel industry. If this acquisition were permitted, the merged firm could have raised prices to consumers who buy these critical pieces of equipment. I am pleased that we were able to work closely with Attorney General Tom Corbett's antitrust staff on this important matter."

Park and Johnstown are also the two largest producers of large slag pots, which are used in steel smelting operations to remove molten waste from blast furnaces.

Total U.S. sales of cast steel work rolls in 1995 were about \$33 million. Total U.S. sales of large slag pots in 1995 were approximately \$10 million.

If Park had acquired Johnstown, it would have controlled more than 66 percent of all U.S. sales of cast steel work rolls and sleeves, and more than 88 percent of production and sales of large slag pots.

Park produces cast steel work rolls and slag pots through its WHEMCO Division. In 1995, Park had total revenues of about \$2.2 billion.

Johnstown, based in Johnstown, Pennsylvania, reported total annual sales of about \$43 million in 1995.

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